

## **Housing Working Group Meeting #6**

May 2, 2018

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### Committee Attendees

Leonardi Aray, Mark Boyes-Watson, Kelley Brown, Kathryn Carlson, Lauren Curry, Esther Hanig, Deborah Morse, Ellen Schachter, Robert Winters, Zuleka Queen Postell

### Other Attendees

City Staff: Chris Cotter, Melissa Peters, Cliff Cook, Cassie Arnaud

Consultant team: Kyle Vangel, Nupoor Monani, John McCartin

City Councilors: Vice Mayor Jan Devereux, Sumbul Siddiqui

Eight members of the public were present.

### Meeting Overview

Melissa Peters reviewed the agenda and the results of the recent Joint Working Group Meeting. Chris Cotter then led a discussion on the implementation plan for the Housing Working Group's proposed actions. John McCartin led a discussion on housing development projections under existing zoning. Kyle Vangel then led a discussion on proposed targets tied to the Working Group's proposed indicators. Lastly the public and City Councilors provided comment.

Many members felt more information is needed to determine targets for overall housing production and share of affordable units. Therefore, the group will reconvene after public meetings are held to analyze impacts of future development under current zoning and alternative scenarios.

The meeting's presentation is online [here](#). The draft implementation action plan is [here](#).

### Implementation Discussion

- One member asked if the action to "require new housing" (first action on the implementation document) means that other uses would be prohibited in new zones. They said that residential uses are allowed in every district since the last major rezoning and asked what this proposal does differently. Does it mean there will be different FARs for the respective uses in the same zone? City staff said that there will be a residential component in every area that is rezoned, but that exact mechanisms are yet to be determined.
- One member asked if Strategy 2 implies that density bonuses will only go to affordable housing or if this would include developments with inclusionary zoning. City staff said this strategy is specifically about creating a competitive advantage for affordable housing developers (whether that is 100% affordable or something near that level). Inclusionary development is addressed in another action, and the City is currently discussing mid-range bonuses for "super-inclusionary" developments: projects that develop more than the current 20% inclusionary requirement.
- One member asked what "modified" means in the "Status" column of the implementation sheet. City staff said this is meant to recognize the City's existing implementation of a given action, but proposes to expand on that implementation.
- Members asked what "protected classes" means (on page 4 of the implementation document). City staff explained this means various populations with explicit protections in federal, state, or local law.
- Regarding the first action on page 5 of the implementation document, one member noted that earlier discussions around evaluating gaps focused on preventing homelessness (rather than supportive services), and asked if that was still on the table. City staff said it is.
- One member said, regarding the second action on page 5 of the implementation document, they want to keep the action open ended to respond to needs beyond the issues listed in the action language. City staff responded that the list is not meant to be limited.

- One member asked if the action on requiring local universities to build housing (implementation document, page 4, first action) is meant to imply that universities will be required to build typical multi-family housing on their land (rather than dormitories). City staff said this action is primarily about student and affiliated housing, but it could be used for open market housing, too, if needed.
- One member said that the discussion around increasing housing in rezoned areas was very robust, and they did not see strong language in that action (the first action on page one of the implementation document). City staff said the language reflects the decision at the last group discussion where specific ideas discussed, but the group decided to keep the action language more general.
- One member said the action on new revenue for affordable housing (fourth action on page 3 of the implementation document) doesn't mention allocations from the regular budget, only new sources. They want explicit mention of funding sources that do not need to go through the state legislature to get approved, saying the City's annual budget should be listed in the examples of revenue sources. City staff said they had identified a target for City funding, which would be discussed in detail later in the meeting.
- One member said the City should ensure that while they are supportive of amending zoning to create more affordable units, they wanted to make sure that some existing requirements such as incorporating ground floor retail, are retained. Staff agreed, and noted that recommendations on ground floor retail are part of the work done on the urban form, community wellbeing, and economy focus areas, and that retail would certainly be part of final plan.

#### Development Projections Discussion

- One member asked how projections (which average out to roughly 1000 units per year) compare to past trends. City staff said that there has been an average of 500 units per year over the last decade with greater production in the last five years.
- One member asked if the projections accounted for the loss of affordable units or expiring uses. City staff said an early goal of this process is not losing any existing expiring use properties. Consultant staff said that within the projections, most redevelopment occurred on formerly industrial or commercial areas, and it is unlikely many housing units (affordable or otherwise) would have been affected in the analysis. Large affordable developments were removed from any consideration in the projections, but voucher properties were not explicitly removed. Staff also noted the model does not account for new 100% affordable housing development.

#### Indicators and Targets Discussion

- Indicator 1: Number of net new affordable housing units
  - Many committee members thought this target is too low, when compared with the "business as usual" development projections. They said the city should aim higher than the projections, and alter the zoning code to achieve those goals.
  - One member thought this target should be broken out by type of affordable housing production (city-funded, inclusionary etc.), showing how units are provided.
  - One member felt the goals set here will result in price escalation due to increasing regulations over housing production. They said tracking production relative to incomes is an indicator that already shows Cambridge is unaffordable. In their view, the scale of the target doesn't match the scale of the problem (unaffordability in general). They recommended upzoning where there is opportunity. A different member said the last five years of increased production have also seen much higher prices.
  - Some members felt the overall ratio of new affordable units to new market rate units was an important metric, and this should be greater than the 20% required for projects in the Inclusionary Housing Program.

- Indicator 2: Number of net new housing units
  - City staff noted the goal represents a 25% addition to the city's existing housing stock. They compared recent production (9000 units in 18 years) to the target of 12,500 units in 12 years.
  - Consultant staff noted the target isn't a simple extrapolation of past trends, but a number arrived at through measuring the capacity in the city.
  - One member said the group has discussed supply, but less often recognized growing demand. They said with commercial growth in Kendall Square and Alewife, demand is exploding.
  - Several members agreed that if the projections show there will be approximately 12,000 new units without making changes to City policy or zoning, the City should set a higher target. Committee members were reluctant to give a specific alternative target without seeing how zoning changes and different densities could affect production. City staff noted this is the one working group where setting targets is less viable without scenario analysis.
  - One member said they were still unsure how the committee was meant to set targets, asking whether the target should be ambitious (set beyond what might be politically feasible) or more realistic.
  - There was a discussion about this target's relationship to population projections. City staff said MAPC (the regional planning body that publishes population projections) is currently revising their projections. The current version was published in 2013 projected Cambridge would grow by 8000 residents between 2015 and 2030. Cambridge will likely overtake this projection soon. Consultants noted that MAPC's projections are not as granular as the Envision Cambridge development projections.
  - One member said there should be goals and indicators around diversity in unit types, especially 3 bedrooms and SROs to maintain diversity in the city.
  - Another member asked that if the target requires no zoning changes, what will come of the action to increase density.
  - A different member said they thought the target might be ambitious enough, especially in light of population projections.
  - One member said regionalism was a prominent topic in the Cambridge Conversations process, and they asked how that is being addressed. City staff replied that the City is working with MAPC inner core communities to develop regional housing targets and making commitments to support each other to reach this goal.
  - One member said 12-15,000 new units might be the right target, but the City may still need to increase the likelihood that we hit the target (through rezoning).
  - Another member said the thinking of this target is backwards. They said the city should first decide how many inclusionary affordable units it wants, then set the overall production target needed to achieve the inclusionary target. They said that measuring affordable housing is meaningless unless it is broken down by method of supply.
  - One member said Cambridge has doubled in size in relative short periods of time in the past, and that a growing Cambridge might be better prepared to take on big challenges.
  
- Indicator 3: Funds for housing
  - One member asked if this increase (5%/year) covers new units or just preservation of existing units. They said the increase seems very low given growing construction costs and land costs.
  - City staff said that after a focus on preservation needs in recent years, there is only one major expiring use project remaining and that once that is preserved, new funds will likely be put to production.
  - One member suggested the funding number should be tied to a percentage of increasing property taxes or revenue to capture increased value from zoning.

- One member said that they felt that a 5% increase every year is impressive. They said that most other municipalities don't allocate any funding for affordable housing from operating budgets.
- Indicator 4: Share of households with children under 18
  - One member asked what the share of households with children was in the 1980s. They wondered if that would be the best way to set the target. City staff said the 1980 census had 19.6% children, and that this figure decreased until roughly 2005. There has been an uptick since 2006, as shown in school enrollment figures.
  - City staff said the rate of families is partly driven by housing stock. They predicted most families live in older housing, and that maintaining 18% will be more difficult than it seems.
- Indicator 5: Share of low-income and moderate- to middle-income households
  - One member said ideally the goal would be to increase wages for the poor and eliminate poverty, rather than grow the share of low-income people in Cambridge.
  - One member said that all the bands below 100% on this chart are still low income in the everyday use of the term. They felt that 50-100% band might get misconstrued as the "missing middle," but it is not.
  - One member suggested putting a numeric target on the 50-100% income band, specifically setting it to 25%.
- Indicator 6: Number of evictions
  - Consultants said the City did not have complete data on this indicator and therefore could not yet set a target.
  - City staff said the City had recently gotten access to some data, though it would not tell the complete story of evictions in Cambridge.
  - One member said it was important to distinguish between eviction notices filed, those evictions affirmed by the court, and evictions carried out.
  - One member also noted that this indicator fails to account for other types of displacements that don't entail a formal eviction process.
  - One member said this is not an effective indicator given how City resources are oriented.

#### Public comment

- One member of the public said there have not been big projects delivered under inclusionary policy, and there might be changes in overall housing delivery rates that would affect projections.
- One member of the public asked if the projection model looked at how many units would be primary residences, and how many would be rentals vs. condos. Consultants said the model did not look at that issue and that their approach is only good at assessing the order of magnitude of new development. City staff said the proportion of owner-occupied units in Cambridge has been stable at around 35%, and they don't predict that proportion will change significantly.
- Councilor Devereux said she is concerned about population growth relative to the need for new schools and community amenities, the distribution of rental vs. ownership units, and the recent condo conversions. She wondered what would be the effect of housing stability and diversity in Cambridge if the share of housing available to renters decreased. City staff said the process is looking at racial/ethnic composition and median duration in housing units through the Community Wellbeing focus area.
- Councilor Siddiqui said she is in Cambridge thanks to the availability of affordable housing and knows how critical it is for the city. She said she is interested in looking at economic mobility, and that the Council wants to look at this further through the housing committee.